

FILED

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

MAR 22 1999

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

IN RE:

INTERNATIONAL HERITAGE, INC.

INTERNATIONAL HERITAGE,
INCORPORATED,

Debtors.

CHAPTER 7

CASE NO. 98-02675-5-ATS

CHAPTER 7

CASE NO. 98-02674-5-ATS

EX PARTE
MOTION TO FURTHER EXTEND TIME TO
ASSUME OR REJECT EXECUTORY CONTRACT

NOW COMES Holmes P. Harden, Trustee in the above-captioned case, and alleges:

1. Holmes P. Harden is the duly qualified and acting trustee herein.
2. An order for relief in the above-captioned cases was entered on November 25, 1998.
3. One or both of the debtors is party to a Director and Officer's Policy ("the policy") with TIG Insurance Company.
4. Trustee is informed and believes and therefore alleges that the policy is paid up for one year.
5. The policy contains the right to purchase "tail coverage" for matters occurring during the policy period which might give rise to claims made after the policy period. According to Paragraph IX of the policy, the right to extend the reporting period is exercisable upon payment of an additional premium. If it is in the best interest of the estate to buy tail coverage, Trustee believes that former officers and directors of the debtor should contribute to the purchase price. Trustee has not determined whether to purchase the extra coverage or whether former officers and directors of the debtor would agree to share the cost of purchasing tail coverage.
6. According to 11 U.S.C. § 365(d), executory contracts are deemed rejected by operation of law unless the Court extends the time within which the Trustee may assume or reject same. The time within which the Trustee may assume or reject in these cases originally expired on January 24, 1999, but this court extended the time to assume or reject to March 26, 1999.
7. Trustee does not contend or admit that the policy is executory, but Trustee believes it prudent to preserve the estate's rights to purchase tail coverage pending a determination whether the estate will pay the additional premium and the source of funds with which to pay the premiums.

WHEREFORE, Trustee prays that this Court makes its order further extending the time within which he may assume or reject any executory contract existing between either or both of the Debtors and TIG Insurance Company for an additional sixty (60) days.

Respectfully submitted this 2nd day of March, 1999.

MAUPIN TAYLOR & ELLIS, P.A.

BY: Holmes P. Harden

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